LITTLE COMPTON SCHOOL BUILDING COMMITTEE

MINUTES

Meeting – October 19, 2010

Wilbur School Commons – 6:00 pm

Members Present: Chairman Tom Allder, Superintendent Kathy Crowley, Principal Jim Gibney, Margaret Manning, Jacob Talbot, Ben Gauthier, Mark Rapp, Mike Steers, Dorie Freeman, John Osbourne, Micah Shapiro, Bob Mushen, Lynn Brousseau-Lebreux, Tom Arkins, Beryl Borden, Dave MacGregor

Members Absent: BG Shanklin, Don Gomez, Micah Shapiro,
The Firm of Durkee Brown Architects was in attendance, represented
by Doug Brown and Ed Cifune.

Chairman Tom Allder called the Meeting to Order at 6:08 pm

A motion was made by Jim Gibney, and seconded by Dave MacGregor, to approve the Meeting Minutes of 10/13/10, as written. Motion carried unanimously.

Committee Business

Proposed Project Cost Savings:

Ben Gauthier shared with the Committee, the School Bond Finance Estimates. Project background, a baseline finance model, tax impact calculation, a cost cutting proposal, a draft of the reduced-scope tax impact and near-term funding proposals were discussed and debated amongst the Committee.

Town bonds are financed for the full price of the project through the RI Health and Educational Building Corporation (RIHEBC), with the town's individual credit rating dictating the interest rate. The project has been calculated with 5% interest rate. RIHEBC has an option to bundle several town's projects together to attract more investors. School rebates are paid through the RI Department of Education (RIDE) and are generally provided within a few weeks of the project payment. This project is aiming for a 42% rebate on principal and interest.

The total project cost is \$28,288,680, projected at 5% interest over 20 years and a 42% rebate from RIDE, the annual principal and interest would be \$2,269,957. Total principal and interest over 20 years would be \$45,399,137 and with a \$953,382 annual rebate from RIDE, the town's effective annual payout would be \$1,316,575, with a total net cost to the town for principal interest and rebate, over 20 years, would be \$26,331,500.

The tax impact, based on bond estimates of October 6, 2010, would be 73 cents per thousand of assessed value. Approximately \$200,000 in bond annual payments will be retired in 2014 for the Public Safety Complex and the Wastewater Treatment Facility will be retired in 2014, reducing the current tax burden by about 15%. A cost cutting exercise produced \$1,605,403, which is up for discussion. Every \$1,000,000 cut from the project would result in a drop of less than 3 cents per thousand of assessed value. The total project numbers are subject to the Committee's final project plan and the architect's revised cost numbers.

The Near-term Funding Proposal depends upon application, design and pre-construction activities. The Special Financial Town Meeting (SFTM) would need to take place in late Spring of 2011, design and final documents would be due between June and December of 2011, the bidding process between January and February of 2012, construction starting March 2012 and going through to December 2012. The funding philosophy would be to pay all upfront costs from accumulated school department surplus prior to any action on the property tax levy, and not to exceed approval as an upper bound. Savings achieved during construction should not be applied to increase or restore project scope.

The School Bond Finance Estimate document was received by the committee, and praise was given to Ben Gauthier for his work in generating this document. Discussions continued on items that

could be eliminated, such as professional landscaping that could be done by the landscaping experts from town, PVC piping vs metal piping for substantial cost savings, and the need for state-of-the-art technology and music centers.

It was determined that the goal of the project scope should compliment the Educational Specification document, as well as to improve the health and safety of the physical building for the students and staff.

Tom Arkins suggested that the budget for this project be reduced to under \$20 million and that he is convinced that reducing the budget and keeping within the Educational Specification can be achieved. Ed Cifune cautioned the Committee that November 19, 2010 is the absolute date that the application must be at RIDE, otherwise, the project application process would need to start over. Superintendent, Kathy Crowley, confirmed this date after speaking with RIDE. Doug Brown stated that the application can be submitted incomplete, but that it absolutely does need to be submitted by the due date. Margaret Manning asked about the time-frame of re-submittal should the application not reach RIDE by November 19, Doug Brown did not know the answer to that.

Mike Harrington reiterated the need for a comprehensive approach to the health and safety issues of the school, and that a band-aid approach is not, in his opinion, the way to address these issues. Mike stated that the Building Committee should be not be concerned whether the bond will pass, but rather, should be concerned about the plan proposed. Tom Arkins stated that the committee failed in forwarding just one plan, not three plans, for Town Council and School Committee approval. Tom also stated that the architects were great, that he is a fan of Durkee/Brown in that the committee should have directed them to propose 3 different plans for comparison. Tom Allder asked the committee to take a step back, and realize that the Building Committee had a charge to bring the best plan forward, and that is what they have done. Tom also stated that he is disappointed with the committee and the administration, that discussions have advocated for use of possible outside facilities to educate the children of Little Compton.

Discussions continued on the RGB proposal of October 2009 for \$18.1 million to fix deficiencies within the school. Beryl Borden asked for maintenance costs for both now and with the proposed construction. Kathy Crowley is convinced, after discussions with RIDE, that present staff can be trained for whatever increase is needed, that no additional staff should be hired. Beryl stated that there was a loud uproar in Portsmouth for the additional \$100,000/year needed to maintain the building, after their athletic facility was constructed. John Osbourne stated that he feels perhaps a half-time additional maintenance person would be needed for upkeep of the additional square footage proposed.

Town Council President, Bob Mushen, stated that it bears some scrutiny in only improve what is absolutely necessary for the health and safety of the school in a first phase. In his opinion, taking a look at the plan to eliminate items that can be done at a later date makes sense. Bob stated that the population of the school could drop, and that he would propose "radical surgery" for the proposed project. Dorie Freeman stated that she would be very concerned that the residents would not support being asked for additional funds every few years, and that additional phase work would never be completed. Tom Adller stated that in speaking with residents in his age group, going forward with the proposed plan would be supported. Mike Steers stated that the time constraint for submitting an application, as well as addressing the current code violations, creates a real challenge for the committee to re-visit a new proposal.

There was continued discussion on what the RI Basic Educational Program (BEP) states for RI school requirements and the actual proposal by the committee. Kathy Crowley stated that while she is not a taxpayer in town, she is quite conscientious of taxpayers. She believes that the Building Committee wants to do what is best for the town, that she saw 8 different plans over the past 10 months, was asked to down-size the floor plan, and that the committee reinstated the square footage to the original size proposed. Kathy state that the committee had ample time to make decision changes, and that she is convinced that RIDE will not accept the entire plan as is, that they will say that certain areas will not be reimbursed by the State. At this

point, the committee will have the opportunity to eliminate the areas that RIDE will not support for reimbursement. Kathy pleaded to the committee to send the application as is, to the School Committee and Town Council for approval to allow for the November 19, 2010 deadline to RIDE. Beryl Borden stated that there are so many struggling families in town that simply will not be able to afford any increase in their taxes. Tom Allder, in urging the committee to think long-term, stated that in his opinion, there is nothing in the Ed. Spec that suggests anything excessive, and that this proposed plan will finally bring the school into compliance and will allow it to be ready for the future needs of educating students. Tom was very surprised with the committee's lack of consensus after meeting for 4 long months working to design a great project.

Jake Talbot will support the current building proposal, but urged the committee to have a unified vote. Dave MacGregor urged the committee to construct the building correctly, that it is a good plan, the committee has done due diligence to the charge that was given to them, and he urged support in submitting a Stage II application. Lynn Brousseau-Lebreux stated that the support of the building proposal should be up to the people of the town, that it should not be decided by the 5 member school committee and town council as to whether the bond is approved to go forward. Doug Brown and Ed Cifune gave a re-cap on the scenario of what would happen if the application was not submitted to RIDE by November 19, 2010. Basically, the committee would have to start all over from the beginning. This delay

would also cause great concern for addressing the educational and safety issues that exist now and will have to be addressed on way or the other. Ed stated that not addressing the site plan at this time would be a real problem for the lack of handicap accessibility for the ball fields. Doug stated that because of the proposed plan to expand the school to the West, it would be impossible not to address the entire site plan at this time. There was continued discussions on just how the site plan could be redesigned, eliminating large cost items. Ed asked the committee to decide whether they want to redesign the entire project, or cut substantial items from the proposed project. Doug stated that to reduce 20% or 30% of the project would require a complete do over.

Audience discussion:

John asked the committee to consider rescinding their previous votes of approval.

Stage II Submittal Action Items:

Kathy Crowley provided a package for each committee member that contains the IAQ Tools for School Programs, the BEP Performance Measures and the BEP Composite Indicators, Regionalization Plan, Vehicle Emission Control Study, Preventative Maintenance Schedule, and a Functional Framework for Educational Organizations: Achieving Accountability at Scale. Tom Allder will discuss all of these items with Durkee/Brown to ensure that all of the Educational

Specification document items have been addresses within the final submission application. Tom will combine all of the administration Action Items, typed on official letterhead, for submittal with the application.

Margaret Manning provided to the committee, a Stage II Application Checklist generated by the RI Board of Regents, highlighting the section "comparison of costs between project and other alternatives: substantiation of the projects cost effectiveness and in the public interest; feasibility of modernizing of the extant facility". Margaret was concerned that the committee is obligated to explore due diligence to all possibilities. There was a short discussion on Margaret's concern. Beryl Borden agreed that comparisons should be available for the voters. Tom Allder stated that the committee was not asked to do a "fix it" plan, and Ed Cifune stated that every option and alternative plan discussed within the committee has been documented and will be submitted to RIDE as part of the required application process.

Audience discussion:

Larry Anderson expressed concern for the logistics of the town holding a special financial town meeting (generally, and not correctly, referred to as a referendum) on the bond, along with the yearly Financial Town Meeting (FTM) in May and the possibility of a State cap tax increase exemption. Larry believes that both can be done in one meeting.

Roger Lord stated that the Building Committee is not of one mind, and that postponing the Stage II application may not be a bad idea. Roger believes that it is a high probability that the bond would be rejected at the FTM, and that re-visiting Stage I, adding what is needed according to the Ed. Spec and re-submitting, may be the way to go. Roger also expressed concern for comments made that condemned the Town Council for their lack of support for the project as is.

Doug Brown stated that as part of the application process, a letter of support from the School Committee and Town must be included. Dorie Freeman expressed concern for the State reimbursement money drying up as well as the possible problem of school disruption for not having a plan to address the present violations. Joe stated that no school in the State of RI, to his knowledge, has ever been shut down due to code violations. Ben Gauthier stated that theoretically, towns should have a 10% reserve, and that the school can ask to use that reserve to meet their financial needs.

Next Meeting: Monday October 25, 2010, 6 pm for final committee vote on the proposed project plan.

A motion to adjourn at 9:08 pm was made by Chair Tom Allder, seconed by Lynn Brousseau-Lebreux. Motion carried unanimously.

Respectfully submitted, Laura Rom, Clerk LCSBC